

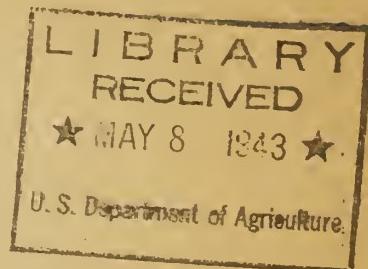
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UNITED STATES DEPARTMENT OF AGRICULTURE
U.S. AGRICULTURAL MARKETING ADMINISTRATION
Midwest Regional Office

Old Colony Building
Des Moines, Iowa



HOW WILL THE AGRICULTURAL MARKETING ADMINISTRATION
HELP WITH THE
1943 WAR FOOD PROGRAM?

Prepared for Iowa County Agricultural War Boards
December 1942.

LOCAL HOG MARKETING COMMITTEES

TERITIAL HOG MARKETING COMMITTEE

HOW WILL THE AMA HELP WITH THE 1943 WAR FOOD PROGRAM?

During World War I, the bulk of food shipments was grain and cereals. The demands of this war place the emphasis on meat and dairy products, feeds, oils, and eggs.

The AAA has the primary job of outlining and assisting in the huge job of production being asked of the farmer in 1943, but everybody connected with agriculture in the United States and the Department of Agriculture must also help. The crop goals of the coming year are roughly 25 per cent greater than the production achieved in 1942 which was by far the greatest in the history of the world.

What is AMA's general responsibility?

The handling of the foods thus produced is the responsibility of the various branches of the Agricultural Marketing Administration including the Livestock and Meat; the Grain, Feed and Seed; the Fruit and Vegetable; the Dairy and Poultry; and the Transportation and Warehousing Divisions. These divisions handle not only actual government purchases but also inspect and grade for the uniform protection of the producer, the distributor, and the consumer. They also make vital market information available through the Market News Services. Government purchases and price supports, conducted largely through the AMA and loans through other Government Agencies, will provide American farmers with a stabilized market to absorb the huge production which they have been asked to undertake during the crop year, 1943. The financial protection afforded farmers through lend lease purchases coupled with food bought for our armed forces plus a greatly accelerated civilian demand will protect the agricultural producer from the danger of monetary loss through falling markets.

AMA's specific duties include the job of marketing and rendering protective services on quality and grades and buying for government uses and distribution. The purchases which have already been made have had a marked effect in making this essential increased production of war crops financially attractive to the farmer. Assurance that this market protection will not stop abruptly at the end of the war is given in the Steagall Amendment to the Congressional purchasing authority which provides that the government will continue to support prices at 90 per cent of parity for a period of two years following the close of the war.

How much food has the Government been buying?

The Agricultural Marketing Administration through purchases since its beginning in March, 1941, to October 1, 1942, has provided a market at fair and incentive prices for 6,344,000,000 lbs. of foodstuffs. This purchasing is continuing at a rate estimated to exceed 552,000,000 lbs. per month and may be expected to increase. The bulk of such purchases are of course made in the Corn Belt which realistically has become the breadbasket of the world. This fact has placed on the Mid-Western farmer the heavy responsibility of feeding the vast majority of the people connected with the United Nations war effort. Government purchases have helped him avoid shouldering the financial hazards which a completely free market would subject him to.

Iowa lend lease purchases during November consisted of the following:

SUMMARY OF FOOD PURCHASES
by Agricultural Marketing Administration
For Lend-Lease, School Lunch, Red Cross, etc.
November 1942.

IOWA

<u>COMMODITY</u>	<u>AMOUNT</u>	<u>VALUE</u>
Peanut Butter	50,000 lbs.	\$ 9,875.00
Dried Whole Eggs	162,000 lbs.	181,377.50
Rolled Oats	13,000,000 lbs.	443,000.00
Pork Products	16,144,794 lbs.	4,705,588.05
Hog Casings	51,175 bundles	72,826.25
Refined Lard	6,622,000 lbs.	1,206,079.25
Edible Tallow	630,000 lbs.	68,437.50
Extra Oleo Oil	38,000 lbs.	5,048.30
Hydrogenated Lard	93,000 lbs.	13,880.25
Mutton	1,905,000 lbs.	478,587.50
Rendered Pork Fat	188,000 lbs.	25,239.00
Total Meat	25,620,794 lbs.	\$6,575,686.10
Products other than Meat	13,212,000 lbs.	634,252.50
Grand Total	38,832,794 lbs.	\$7,209,938.60

(These figures do not include commodities purchased on terminal markets outside of Iowa.)

At what prices are farm commodities supported?

To insure continued and increased production of these needed products, definite price support measures have been announced by the department. Hog Prices will be maintained at 90 per cent of parity, but in no event at less than \$13.25 per hundredweight in Chicago for 240 to 270 lbs. Poultry prices will be maintained at 90 per cent of parity and equal support will be given to chickens weighing over three pounds and to turkeys. Eggs will be purchased on an offer and acceptance basis equal to 30¢ per dozen in the spring and on an annual average figure of 34¢ based on the average United States farm price.

Dairy products will be supported at 90 per cent of the parity price with the following detailed price supports effective: butter, 90 per cent of the parity price equivalent but in no event less than 46¢ per pound for 92-score butter, Chicago basis; cheese, 27¢ per pound including subsidy; No. 1 American cheese, Plymouth basis, 12-1/2¢ for roller and 14-1/2¢ for spray process dry skim milk extra grade Mid-West basis and a comparable price for evaporated milk, F. O. B. freight, basis to be announced. Loans on basic commodities such as corn, wheat, cotton, rice, tobacco, etc., will be made by the Commodity Credit Corporation at 85 to 90 per cent of parity. The corn loan in the commercial corn area will be made at from 74 to 80¢. Loans will also be made on grains, sorghum, and barley at rates slightly higher than in 1942.

The Department of Agriculture will move to maintain feed prices with particular emphasis on commercial feed, wheat, and oil meal in 1943 at approximately the same price level as in 1942. Support prices on fresh vegetables and for fresh canned fruits are in the making and specific programs will be announced as the need for them arises. Other farm commodities which will receive similar price protection will include dried apples, apricots, peaches, pears, prunes, and raisins. It is expected that the schedule of price support actions will be announced about February 1, all of which will be at about the same level as in 1942. Snap beans, corn, tomatoes, beets, carrots, pumpkins and squash for processing and canning will also come to market at an attractive price. Soy beans for oil will operate over a floor set at between \$160 and \$175 per ton for beans of high oil content. Flax seed will receive a price prop of not less than \$2.70 per bushel, figuring on basis No. 1 flax seed at Minneapolis. Potatoes will have a basic support of 90 per cent of the parity price calculated as of the beginning of the market year, but will not be allowed to go below specified prices for certain grades in specified commercial areas which will be announced about January 1.

How does the Agricultural Marketing Administration assist in the Nutrition Program?

The Community School Lunch and School Milk Programs assist in attacking nutrition problems among children. Basic commodities are furnished by the Agricultural Marketing Administration for the community School Lunch Program and schools are reimbursed for milk consumed at the rate of the producer price for Class I fluid milk. On December 1, 1942, 3775 schools representing 133,411 children participated in the Community School Lunch Program in Iowa, and 779 schools having an enrollment of 149,800 participated in the School Milk Program.

What is the Iowa hog marketing situation?

The record spring pig crop, which usually moves to market from September to March, means the transporting and processing of something like 2,000,000 more hogs than has ever before been done. The number of hogs slaughtered in the United States in September this year was 32% above a year ago but this rate slowed down through October and early November.

Market receipts have been relatively heavier at the terminal markets than at interior points. Combined receipts for October and November were 6.6% above 1941 for the 12 markets, 9% above 1941 for Chicago and 2% below 1941 at interior points. The very favorable price relationship between corn and hogs; the fact that Iowa pigs may have been farrowed slightly later than last year; that prices are to be supported at \$13.25 Chicago; and the limited capacity of available trucks and stock cars, may all help to prevent dangerous gluts in the hog market.

What can be done?

There are a number of things that producers can do to help with the orderly marketing of hogs during the next few weeks.

1. Producers should "top" out only their heaviest hogs, holding back the lighter ones for further feeding to increase meat supplies.
2. Make definite arrangements for selling their hogs so they know there is a place for them before leaving the farm.
3. Watch carefully the Interior Market News Radio Reports to determine where plants are over or under supplied.

4. See that Interior Hog receipts are held up to a daily average of 60,000 to 70,000 head so that packing plant facilities can run at full capacity which must be done if the prescnt hog crop is to be processed to best advantage.
5. Keep in touch with County War Boards and county agents who will be informed of the current hog marketing situation and can help advise on individual and local problems.
6. Through breeding plans, spread next spring's farrowings as much as possible so that the increased 1943 crop will be ready for market over as long a period next fall and winter.

Early last spring it became apparent that some serious problems might develop this winter in connection with transportation, marketing, and processing of this year's record hog crop. With Iowa's place in the national hog production program, producing more than twice as many as any other state, the orderly marketing of hogs is a major problem in Iowa. Early last spring the Secretary of Agriculture appointed a special committee within the Department to publicize the hog marketing situation, to ask hog producers to spread their marketings and to look into marketing, transportation, and processing facilities. This committee has been actively carrying out this assignment.

What is the Interior Hog Marketing Committee?

This fall Hog Marketing Committees have been set up around the various terminal markets and one was created for the Interior Iowa and Southern Minnesota territory. These committees are made up of representatives of Department of Agriculture, the packing industry, and hog producers. Mr. J. S. Russell, Regional Administrator of the Agricultural Marketing Administration, 700 Old Colony Building, Des Moines, Iowa was appointed as chairman of the Interior Hog Marketing Committee. The other members of the committee are:

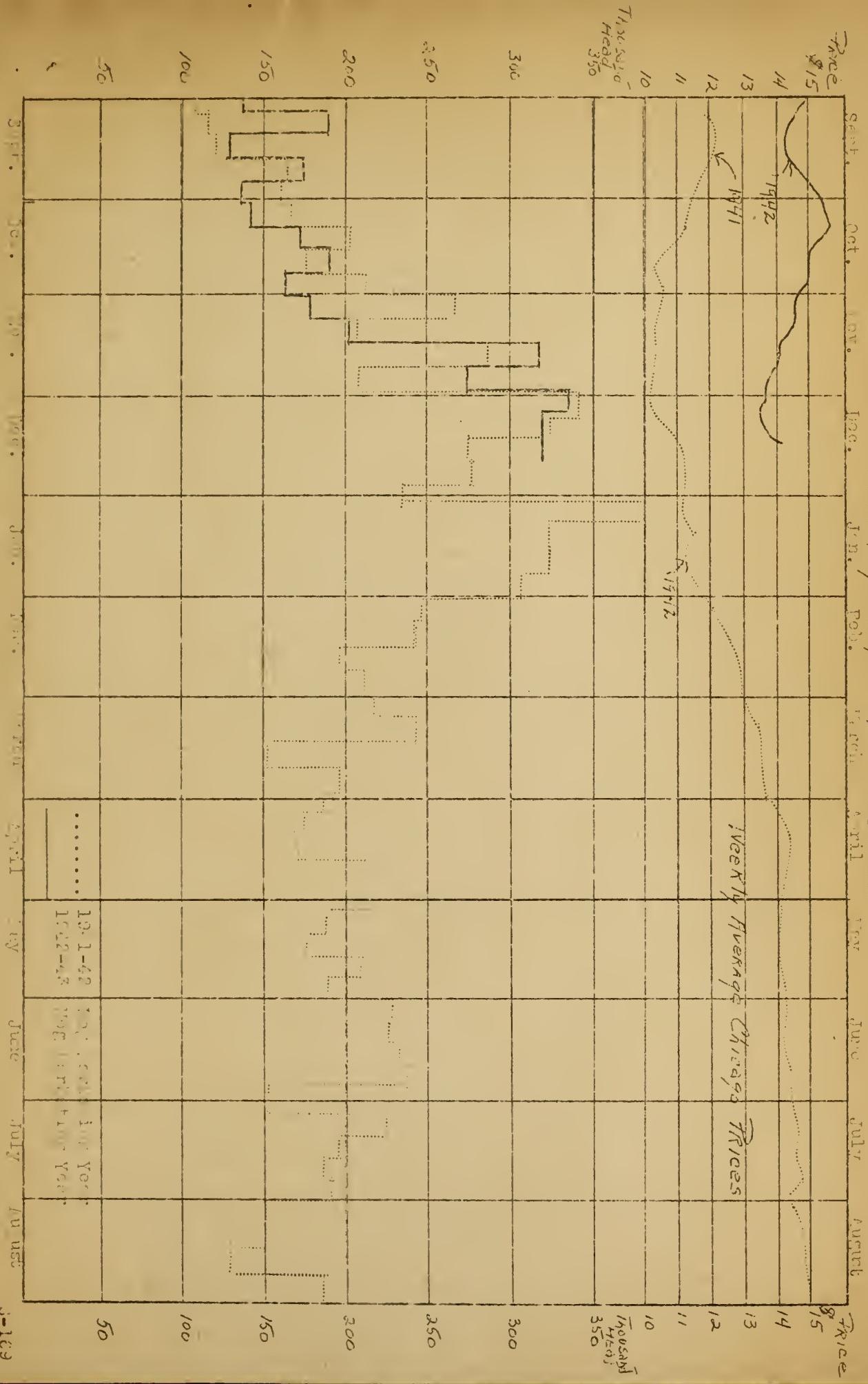
A. J. Loveland, Chairman of the Iowa State Agricultural War Board
R. K. Bliss, Agricultural Extension Director
Lew Reeve, Geo. A. Hormel Packing Co., Austin, Minn.
T. Henry Foster, Pres. of Merrell and Co., Ottumwa, Iowa
E. F. Kaderabek, Iowa Packing Co., Des Moines
Earl Elijah (producer) and Pres. Iowa Swine Growers Association, Clarence,
Allan Kline, (producer) and Vice-Pres., Iowa Farm Bureau Federation, Vinton, Iowa
James Anderson (producer) Grand Meadow, Minnesota

Who make up the local hog marketing committees?

This central committee is being actively assisted by local hog marketing committees set up around each of the interior packing and concentration centers. These local committees are made up of a packer representative, the local County Agricultural War Board Chairman, the County Extension Director (County Agent) and one or two hog producers. The location of these committees is shown on the map on the inside of the front cover so that County War Board Chairmen in adjacent counties may readily contact them in cases of local hog marketing problems.

Interior Iowa & So. Minn. Hop Receipts

Weekly Sept 1941 to Date



Interior Town of So. Minn. Weekly

Hop Recipit a Slayghter

Sept. 1941 to Date

